



MEMORANDUM OF UNDERSTANDING (MoU)
w.r.t. implementation of MSME Competitive (LEAN) Scheme (MCLS) of
Ministry of MSME

Between

Indian Industries Association (IIA)

And

Quality Council of India (QCI)
(Implementing agency for MSME Competitive (LEAN) Scheme (MCLS) of
Ministry of Micro, Small & Medium Enterprises, Govt. of India)

Agreement

This Memorandum of Understanding (MoU) is entered into and executed on this 13th day of August 2024, to be effective from date of signing between:

First Party:

Quality Council of India (QCI), an autonomous body under Ministry of Commerce & Industries, Government of India, was established as a National body for Accreditation on recommendations of Expert Mission of EU after consultations in Inter-ministerial Task Force, Committee of Secretaries and Group of Ministers through a Cabinet decision in 1996. Accordingly, the QCI was set up through seed funding initially by the Government of India and the Indian Industry represented by the three premier's Industry Associations namely (I) Associated Chambers of Commerce and Industry of India (ASSOCHAM), (II) Confederation of Indian Industry (CII) and (III) Federation of Indian Chambers of Commerce and Industry (FICCI), QCI was envisaged as an independent organization with its own source of funds through accreditation and activities of quality promotion.

Second Party:

Indian Industries Association (IIA) is an apex organization of Micro, Small and Medium Enterprises (MSME) with more than 12500 members from Uttar Pradesh, Uttarakhand and Delhi etc. and was established in 1985. IIA works extensively for the promotion and development of MSMEs and creates an enabling environment for MSMEs in today's changing and highly competitive industrial scenario. IIA has been a member of the National Board of MSME as well as an accredited association from NABET, QCI with Gold Grade (under BMO currently closed).

(QCI and IIA are individually referred to as party and collectively as parties).

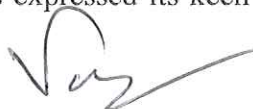
BACKGROUND

Ministry of Micro, Small & Medium Enterprises, Government of India, with an aim to enhance the productivity, efficiency &, competitiveness and reduction in wastages, inventory management, space management, energy consumption, etc. of Indian MSMEs launched MSME Competitive (Lean) Scheme (MCLS), in March 2023. MSME Competitive (Lean) Scheme is an extensive drive and continuous effort on the part of M/o MSME, for enhancing the competitiveness of MSME sector, through implementation of Lean Tools & Techniques (a tested and proven methodology). For the purpose of Implementation of the scheme, Quality Council of India (QCI), has been appointed as one of the Implementing Agencies (IA) by the M/o MSME, Govt. of India.

Whereas the First Party being an Implementing Agency (IA) for MCLS, is mandated to conduct activities such as; conduct of awareness programs to bring awareness about the scheme in the MSME's PAN India, to motivate the units to register themselves under the scheme and to provide necessary support (as per scheme guidelines) to the MSME's to progress through Basic, Intermediate and Advance Levels of the MCLS.

Whereas the Second Party being an Industry Association, having large number of MSME's of manufacturing Sector as its members, has expressed its keen interest and desire to enhance the

Neeraj
13/8
24



productivity, efficiency, and competitiveness by reduction of wastages in processes, Inventory management, space management, energy consumption, etc., of its member units by way of implementation of Lean Tools & Techniques in them, under MCLS.

PURPOSE

The intent of this Memorandum of Understanding (MoU) between the two parties is to outline the roadmap of collaboration and to clearly identify the roles and responsibilities of each party for implementation of MCLS in the member units (of manufacturing category), of IIA

SCOPE, ROLES & RESPONSIBILITIES OF THE PARTIES: -

The initial scope of this alliance will cover the activities related to, but not limited to, the areas outlined below:

Whereas QCI would be responsible for,

1. The First Party shall facilitate for conduct of the awareness programs (as per the schedule mutually decided), through the physical mode (as the case may be), for the member units of the Second Party.
2. The First Party shall bear the cost of such awareness programs as per its approved guidelines.
3. The First Party shall provide the necessary support to the Second Party for registration of its member units (manufacturing nature), under MCLS.
4. The First Party shall provide the necessary support to the registered members of the Second Party, to enroll for Lean Basic Certification.
5. The First Party shall provide the support (as applicable under the scheme guidelines), to the member units of the Second Party in completing the 'Basic Level' of the scheme and for the activities related to 'Intermediate and Advance levels of MCLS'

Whereas IIA will endeavour to undertake the following activities:

1. The Second Party through the involvement of its National/State/District chapters (as the case may be), shall provide necessary support to the First Party in organizing the awareness programs regarding MCLS, for its Member units.
2. The Second Party shall promote the MCLS in all its events including workshops/fairs, annual meets etc.
3. The Second Party shall inform its member units of manufacturing sector to participate in the awareness programs related to MCLS (minimum 50 manufacturing units leading to minimum 25 pledges).
4. The Second Party, shall share the data of its member units (of manufacturing nature), to the First Party so that it may contact them for awareness programs and registration under MCLS.
5. The Second Party shall encourage its member units to participate in Intermediate and Advance levels of MCLS.
6. The Second Party shall provide necessary support, as required by the First Party to register its member units in MCLS and to take the registered units through the Lean journey i.e. Intermediate & Advance Levels of MCLS.

Neeraj
13/8
24

[Signature]

Governance and Management of MoU

To maintain focus on fulfillment of the objectives of this MoU, a designated nodal officer shall be identified by both the parties. Such nodal officers will be the single point of contact for all matters related with implementation of MCLS Scheme in member units of IIA.

Validity of the relationship

- i. The MoU shall initially be for a period of 2 (two) years. The parties shall consider to renew the MoU after mutual review of the progress of the activities undertaken under this MoU.
- ii. This MoU can be extended by means of an addendum in writing referring to this MoU as the base to set the revised period and terms.
- iii. Amendments, if any or modification to the MoU shall be in writing and signed by both the parties.

Non-compete/Non-conflict/Engagement Protocol

QCI and IIA agree not to mutually compete or conflict for each other's resources and follow an engagement protocol that is ethical and professional during the delivery of the activities covered under this MoU. Should there be any conflict, the party in conflict will seek approval from the other party, which approval shall not be unreasonably withheld.

Effective date:

This agreement shall be effective from the date signed by both the parties and will be valid for a period of two years until determined, suspended or terminated earlier.

In WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this mutually binding Memorandum of Understanding (MoU) as of the date first written above.

Confidential Information

Each Party shall keep confidential any information which is reasonably assessed or obtained during the course of discussions relating to the business of the other Party or the subject matter of this MoU.

Miscellaneous:

- i. No amendments to the MoU shall be valid unless executed in writing and signed by both the parties.
- ii. Any issues that are not addressed or stipulated in the MoU shall be discussed and resolved through negotiation in good faith and such resolution will be incorporated as written amendments to the MoU by mutual agreement between two Parties.

Nancy
13/8
24

[Signature]

- iii. Disputes, if any, shall be resolved on mutual consensus by both the parties. If the dispute is not settled amicably through mutual discussion of the parties, the same shall be dealt with as per applicable law before the courts of competent jurisdiction.
- iv. Neither party shall be charged with any waiver of any provision of this MoU, unless such waiver is evidenced by a writing signed by the party and any such waiver shall be limited to the terms of such writing.

Term and Termination:

- i. This MOU shall become effective upon the signature of both the parties and shall remain in force for a period of **two** years which could be extended for a period of **three** years as mutually agreed by both the parties.
- ii. Either of the party may terminate the MoU by giving written notice to the other Party, six months in advance. Once terminated, neither Party will be responsible for any losses, financial or otherwise, which the other Party may suffer. However, IIA and QCI will ensure that all activities in progress are allowed to complete successfully.
- iii. The MoU is exclusive and binding on the parties.

Force Majeure

Neither party to this MOU shall be liable to the other party for any delay or failure on its part in performing any of its obligations under this MOU resulting from any cause beyond its reasonable control, including but not limiting to strikes, riots, civil commotion, or other concerted actions of workmen, material shortages, fire, floods, expositions, acts of god, acts of state, war, enemy action or terrorist action, pandemic, epidemic, court orders in rem etc., provided that the occurrence and cessation of any such events the party affected thereby shall give a notice to other party in writing within 15 days of such occurrence or cessation. If conditions continue beyond 3 months, the parties shall then mutually decide about the future course of action.

Authorized Signatory:



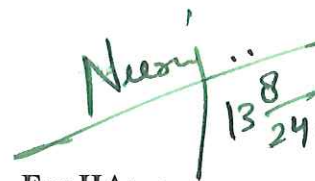
For QCI:
Dr Varinder S Kanwar
CEO
NABET, Quality Council of India

Date: 13-08-2024
Place: Ahazabad

Witness:




Quality Council of India



For IIA:
Mr. Neeraj Singhal
President
Indian Industries Association

Date: 13.08.2024
Place: AHAZABAD

Witness:



Indian Industries Association